



JOURNAL



T H E V O I C E O F A M C H A M H U N G A R Y

Popularizing STEM, Better Preparing Graduates



Dr. László Ábrahám, NI Hungary.

At its fifth conference on education, the American Chamber of Commerce in Hungary (AmCham) and the Hungarian Investment Promotion Agency (HIPA) discussed the challenges of STEM (science, technology, engineering and mathematics) education and tried to find ways to make it more attractive for students.

There is a lot for schools to do if they want to improve the ratio of their students interested in

sciences, and in particular in IT or engineering. These are the skill sets the economy needs the most and, of course, they are in short supply. So much so that this skilled labor crisis has grown into the single most important factor defining a company's future now and in the short-term.

To keep up with innovation and technology, companies in Hungary need 6,000 engineers and 20,000 IT professionals, the conference was

told, but education is just not providing enough. Despite efforts to turn more kids toward sciences and technology, the statistics have not greatly improved.

"The ratio of those studying and graduating from STEM should be 40%; now it stands at 29%," László Ábrahám, managing director of NI Hungary told the audience of the fifth conference on competitive education, jointly organized by AmCham and HIPA.

But why such a gap? For starters, trying to steer 18-year-olds towards a science career during career orientation talks in high school is often too late. By then, many have lost any genuine interest they had as a child in the sciences for which, mostly, it is the education that is to blame.

In Hungary, students are prepared for entrance exams, for an outcome, a physics and chemistry

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COMING UP

Independence Day Family Celebration

Gundel Restaurant » July 7, 2019

The AmCham community will celebrate the 423rd birthday of the United States with family and friends at the wonderful Gundel Restaurant featuring a mouthwatering American style buffet, grilled food and the famous Gundel crêpe. A staple of our event calendar, the Independence Day Family Celebration never disappoints!

30th Anniversary Gala

Parliament » November 14, 2019

In 1989, AmCham Hungary was founded to develop international business in our country, to build a strong business community and to promote the highest standards of business conduct and integrity. Three decades later, the chamber is an influential representative of more than 350 companies and a trusted partner of the government, dedicated to use the knowledge and expertise of its membership to improve the competitiveness of Hungary. Celebrate three decades of success with us in November!

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Dear AmCham Members! Dear Friends!

to provide feedback and share their thoughts with us about the work of AmCham and what they expect from the organization in the future. Seeing all those comments and ideas pop up on the screen immediately sparked our minds and during the next couple of weeks, we will analyze your answers and incorporate your ideas into the plans for 2020 to provide even better service and value to you.

Usually at the end of June, we start to wind down a little, getting ready to refuel during the summer to prepare for another busy fall season, but, fresh off the back of the annual Insight dinner, everything feels a little different this time.

We had a ball at the 1989-themed networking event, reminiscing about the early days of the chamber, celebrating the achievements of this community and recapping the past six months. Insight and the upcoming Independence Day Family Lunch are the final events of the first half of the year, but I think I can speak for the whole staff when I say we are not quite ready to sit back just yet.

We feel energized and rather inspired by your ideas. For those who could not attend the Insight dinner, we asked the members present

In the meantime, the work continues with our "Cooperation For A More Competitive Hungary" recommendation package.

We hosted a business forum with Mihály Varga, Minister of Finance who delivered his annual address to the membership to elaborate on the latest developments and the plans for the near future. (See page four.) An exclusive meeting preceded his keynote where the AmCham Board presented our proposals to the minister. In September, we will have the chance to meet László Palkovics, Minister of Innovation and Technology as well.

In addition, the Competitive Workforce PTF invited Dr. József Bódis, State Secretary for Education at the Ministry of Human Capacities to discuss the package and our suggestions concerning the promotion of STEM subjects, language education, the new National Curriculum and practice-oriented training.

STEM career paths were the focus of our V. Competitive Education Conference, where we discussed how science education can be made more effective and inspiring with teachers

and principals from all over the country. We at AmCham have long been advocates of stronger cooperation between educational institutions and the business community and the conference was another step in the right direction.

To make real progress in education, we need to understand all the relevant stakeholders. That is why it is so important for us to know what our teachers need to be able to prepare the next generation of employees for the rapidly changing labor market. We will make sure their opinion is heard during our meetings and their input will be considered during the making of the next recommendation package.

I hope you can recharge your batteries and have a fantastic summer because we have a lot in the bag for you for the fall, as we are preparing for the upcoming V. Business Meets Conference Summit and of course, the anniversary gala event in November. Exciting times are ahead!

*Until next time,
Írisz Lippai-Nagy,
Chief Executive Officer*



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teacher from Lauder Javne High School said from the audience. "The curriculum is so big that we don't have time to linger longer at more interesting parts," she added.

Differentiation

Another issue, teachers at the conference agreed, is the lack of differentiation. Children with different levels of interest and ability should be taught in accordance with their skills, but the system doesn't allow for it. But by differentiation they don't mean separating brighter kids from those who take longer to grasp something; in fact, teachers at the conference condemned this system, although it is still in use in many schools.

So what could schools do to make STEM subjects more attractive?, AmCham asked its audience. The answer was smaller classes and group-sized and project-based education. This may be more time-consuming, but it is also more affective, the professionals agreed.



Zsolt Bella, BT.



Gábor Salamon, Morgan Stanley.



Edit Bencsik, TATA.

Schools should also improve efficiency by applying more digital tools in classrooms and, most importantly, make learning STEM subjects fun. This requires a lot more from teachers; some went as far as to suggest educators

should take a paid sabbatical and spend a semester at universities, attending the classes in the faculties they prepare students for to get a better understanding of what is expected from their pupils.

Proper preparation is crucial as a high proportion of those students who do decide to go for a career in the sciences get to college with large gaps in their knowledge.

"We hold special courses for them [...] but it is crucial that they arrive with the right attitude and be conscious of their own limits and their abilities," said János Levendovszky of the Budapest University of Technology and Economics (BME). According to him, the main question is how committed the students are.

"Sharing knowledge with them is not a problem, as long as they are motivated enough," he added.

Newly Graduated

Motivation can be an issue for the newly graduated, as well. "At Morgan Stanley, we employ 200-250 fresh graduates every year," said Norbert Fogarasi, managing director of the Budapest office at Morgan Stanley, and a former AmCham board member.

"Upon entry, they are sent to a global training. Their professional knowledge is good overall, but their motivation and attitude [could be improved]," he said. How these graduates fit into the corporate culture is crucial; indeed, their future could hang on it, Fogarasi noted.

Students invited by AmCham had a different take on this topic. "Today, we have more space to 'levitate' between jobs; changing careers is no longer something to be ashamed about," said

Emese B. Varga, a participant of the finals of the 2019 SCIndikátor, a science communication program for college students.

So, losing motivation, realizing that something is not for you and changing career are not as big issues as they used to be. "We tend to start things more because if we find out we were wrong [about our choices], we have the opportunity to change," Varga said.

Companies also tend to listen more to young employers' needs. "There is much flexibility both in terms of topics and worktime," Fogarasi said. "STEM careers in general give one much more flexibility overall."

Must Try Harder

It is not only schools that have their homework to do; clearly, the state has a big stake in improving education. Spending on education as a ratio of GDP is very low in Hungary: 6.2% compared to the EU-average of 8.5%. László Ábrahám, managing director of NI Hungary pointed out. Only half of the contribution paid to vocational training is actually spent on vocational training, he added. Good command of language is crucial for further education as well. As of next year, everyone entering higher education requires a language exam and schools have not done much to ensure that will happen. Also, rather than making students fill in a career orientation test with concrete professions to choose from, their abilities and affinities should be tested, Ábrahám said.





Minister Varga: Government Regards AmCham As A 'Highly Important Partner'

The government will continue its investor-friendly economic policy, Minister of Finance Mihály Varga told a business forum of the American Chamber of Commerce in Hungary (AmCham).

That goal would be served by both the 2020 budget and the "13+1" points of the Economy Protection Action Plan, which will provide some HUF 500 billion in support to the Hungarian private sector, the minister said at the Budapest Marriott Hotel on June 7.

He mentioned reductions to business taxes and the accommodation tax, with the temporary lowering of the advertising tax rate to 0%. Not least among these changes, though, would be the 2% cut in social contributions (see separate box).

The elements combined aim to shield what is still a robust Hungarian economy from the impact of a global slowdown. "As a result, taxes will continue to fall, the business environment

will continue to improve, and it will be easier for enterprises to receive credit in the interests of promoting investment," the minister insisted.

As he so often does, Varga sought to put the current figures into context by giving a brief historical overview. He remembered "how shocked I was in 2010 by the state of the country; the exchequer was empty, debts going through the roof".

The entire system of government and how it is financed had to be overhauled, with a shift away from personal taxation and toward consumption taxes, he said, but the relationship with international business also had to be improved with "the establishment of a new dialogue-based approach".

In this regard, Varga said the American chamber had proved itself a key ally that "has been working on improving Hungary's competitiveness for years" and "played a role in

the introduction of the flat rate tax," he recalled. "The government regards AmCham as a highly important partner," he said.

'Grateful'

He referenced the chamber's latest "Cooperation For A More Competitive Hungary" recommendation package, and added he was "grateful for the work that is jointly conducted on the national Competitiveness Council" that he chairs, and on which AmCham president Farkas Bárony sits.

"We will continue our policy of tax cuts that aim to reduce taxes that place burdens on labor, companies and families," he promised.

There can be no doubt how important America and its businesses have become to Hungary. Referring to the recent White House working meeting between U.S. President Donald Trump and Hungary's Prime Minister Viktor Orbán, Varga said: "It has become clear we share views on the most important issues."

Lawmakers Vote to cut Payroll Tax

Parliament has approved a two-percentage-point reduction in the payroll tax to 17.5%, effective July 1, state news service MTI reported. The amendments reducing the tax were passed in an expedited procedure with a vote of 160 ayes, one nay and five abstentions. The payroll tax was cut from 27% in 2016 to 22% in 2017 and 19.5% in 2018. At the same time, the minimum wages for skilled and unskilled laborers were raised by double digits. The agreement stipulates that, from 2019, the payroll tax will be reduced a further four times by two percentage points on each occasion. The cuts are timed from the start of the second quarter of each calendar year as long as the gross average private sector wage rises at least 6% year-on-year in the first quarter of the given year. Private sector wages rose 11.8% year-on-year in Q1 2019.

He added that, in economic terms, the "United States is the second most important country for Hungary after Germany," noting that it was Hungary's most important export partner outside Europe and the largest investor in Hungary from outside Europe; there are approximately 1,700 U.S.-owned companies operating in the country, employing more than 100,000 people, he said.

Hungary's economy continues to outperform the European Union, with Q1 2019 growth in Hungary of 5.3%, compared to the EU average of 1.5%. The Minister of Finance said it is obvious that Hungary, indeed much of the Central and Eastern European region, is now much better represented in the global value chain. While that has brought clear advantages, it also exposes Hungary to global slowdowns, meaning it is only prudent to look now at creating rainy day contingencies, though the minister did not use that exact phrase.

"Hungary has a strong macroeconomic framework, so we are building fiscal buffers against similar trends we have seen in many neighborhood countries" in preparation for a period when "growth momentum gradually slows down in the EU and the entire global economy," he said.



Class Of '89: AmCham Kicks Off Summer With An Anniversary Insight Dinner



AmCham Hungary held its traditional annual Insight Dinner for top executives at the Budapest Marriott Hotel on June 17. The event is organized to thank outstanding AmCham members for their efforts and contributions throughout the year and to introduce the activities of the chamber to potential member companies.

Insight has become a cornerstone of AmCham's event calendar, where members are given a review of the highlights and achievements of the year while having a good time together before the summer holiday. The exclusive event brought together more than 150 CEOs and business leaders for an evening of great food, fun and discussion.

This year, the Chamber celebrates the 30th anniversary of its foundation and for this remarkable occasion, the Insight event was given a little twist. After receiving a glass of festive punch upon arrival, guests stepped into a ballroom festooned with retro decorations that brought the 1980s back for an evening. There were neon balloons floating above tables

covered in shiny confetti, while nostalgic hits played in the background. There was even a display of everyday objects from the '80s, like cassettes and floppy disks, but also including some truly special items, such as a piece of the barbed wire Iron Curtain fence removed at the Pan-European Picnic at the Austrian-Hungarian border in 1989.

Beside the '80s vibes and recalling the events of 1989, this evening was also about more recent appreciation. The board members, CEOs, Policy Task Force leads and committee chairs were acknowledged for their dedication; without them AmCham would not be the same today.

In addition, the founders and past presidents of AmCham were thanked for setting us up on this path.

Highest Standards

"In 1989, 32 business leaders and companies founded AmCham Hungary to build a strong business community, develop international business and promote the highest standards of business conduct and integrity as our country entered a new era," AmCham President Farkas Bárony told the audience.

"Today, AmCham Hungary is an influential organization representing 350 companies, coming from a wide variety of sectors; we are a hub of intelligent discourse and knowledge sharing, we are a trusted partner of the government and we are a community dedicated to using its capabilities, experience and resources to make Hungary more competitive," he added.

Before dinner was served, guests could participate in a game show, share their fondest AmCham memories and give feedback on what and how the chamber could do better or more of. AmCham CEO Írisz Lippai-Nagy gave a brief summary of this year's advocacy activities and achievements, major events and new projects, concluding that 2019 has already been an eventful year, and there is still a lot more to come this fall.



Zsolt Fehér, who has stood down as chair of the HR Committee.



Dr. Andrea Juhos, formerly lead of the Competitive Workforce PTF.



Extraordinary General Assembly Approves By-laws, Supervisory Board

On the morning on May 22, AmCham held an extraordinary general assembly at the MetLife Hungary offices with the objective of voting on by-law proposals and revising the results of the 2018 financial year.

The meeting had been called following a lack of consensus at the annual general assembly in December 2018 concerning the recommended

by-law changes. These were not approved by the membership due to questions raised, among other things, regarding the rights and obligations of honorary members.

This meant the previous by-laws, approved in 2016, remained valid; however, they did not meet various legal requirements including provisions for setting up a supervisory board and its operation.

At the extraordinary general assembly, the AmCham membership voted on seven proposed amendments to the by-laws, including three legally required changes: the regulations on the operation of the Supervisory Board, additional provisions on the expulsion of members and the rights of honorary members. All seven proposed amendments reached the three-quarter supermajority required by the Civil Code for approval.

AmCham's 1st Supervisory Board Approved

Also on May 22, 2019, the supervisory board, originally elected at the December 2018 annual assembly with Dr. Andrea Jádi Németh as chair and David Young as the other member, was approved and became responsible for protecting and promoting the interests of the chamber by ensuring compliance of the management and operation of the organization with applicable laws, the constitution and the by-laws of AmCham Hungary. Congratulations Andrea and David, we are looking forward to working with you!

Additionally, more detailed provisions on the expulsion of members were also accepted in order to guarantee a more transparent procedure, which now requires a two-thirds majority vote of the board.

Furthermore, the by-laws comply with the Act CLXXV of 2011 on the Freedom of Association, on Public-Benefit Status, and on the Activities of and Support for Civil Society Organizations, thus honorary members may attend the meetings of the chamber, but they cannot vote nor run for office. Should they wish to vote and be eligible for election, they can join the chamber in any membership category, including individual membership, without the discretion of the board.

AmCham's legal partner Siegler Bird&Bird Law Office and the legal experts on the board, along

with the supervisory board elected in December, evaluated all legal possibilities regarding rights and obligations of honorary members and consulted all impacted parties in the last four months. The by-law changes accepted On May 22 were the result of these discussions.

Other proposed amendments the AmCham Membership voted for on May 22 included the termination of the operation of the membership committee, the substitution of AmCham officials, the individual membership category and changes in wording. All the changes can be viewed in full on the AmCham website.

AmCham Hungary would like to thank the members for taking the time to cast their vote and we send our appreciation to MetLife Hungary for hosting the assembly and Siegler Bird&Bird Law Office for their invaluable legal support.

AmCham Meets State Secretary For Education

State Secretary Prof. József Bódis was invited to a roundtable discussion with the Competitive Workforce Policy Task Force to discuss one of the most pressing matters for our members and our economy: competitive education.

At the meeting, which was held on May 30, AmCham's first vice president, Péter Csucska, presented AmCham's proposals – as laid out in the latest "Cooperation For A More Competitive Hungary" recommendation

package, published in February – and PTF members also shared their recommendations related to the following topics: the support and budget of the education system; language education; STEM orientation; the new national curriculum and the strengthening of practical training in institutes of higher education.

State Secretary Bódis confirmed at the meeting that the Ministry of Human Capacities, the super ministry which includes education

among its remits, is dedicated to transforming the Hungarian education system into one that is competence-based and added that the new national curriculum will be based on the development of competences, which is key for competitiveness.

The ministry is also dedicated to promoting and supporting so-called STEM (science, technology, engineering and math) education, and to enhancing labor-market orientation in schools.

The state secretary highlighted that language education is a priority for the government and gave a summary on the recently introduced program that allows high school students to attend free language courses abroad.

AmCham members will have further discussions with representatives of the Ministry of Human Capacities to continue to examine education related recommendations.



New PTF Leads, AmCham Committee Chairs Appointed

On June 25, the AmCham Board appointed new leaders to four of its advocacy groups and confirmed the reelection of three other heads.

re-elected leader of the Regulatory Committee. László Czirájk will continue to serve as the head of the Governance & Transparency Committee.

The chamber is thus proud to announce the following: Attila Ferik, managing director of GE Healthcare was appointed as head of the Innovation Policy Task Force; Zsuzsanna Beszteri, government and regulatory affairs executive at IBM will serve as the new Competitive Workforce PTF lead; Róbert Dobay, CEO of Managementor is now the new HR Committee Chair; and Károly Radnai, CEO of OrientTax was elected the head of the Tax Committee.

Dr. László Ábrahám, managing director of NI Hungary will remain the chair of the Electronic Manufacturers' Committee; Dr. Gábor Orosz, associate general counsel, NI Hungary was also

The Workspace and Facilities Management committee elected Tünde Kirschner, vice president and head of corporate services at Morgan Stanley, as its new leader back in September 2018 after József Jung stepped down from the position.

The AmCham Board of Directors would like to thank Joerg Bauer and Csaba Márkus, Dr. Andrea Juhas, Péter Molnár, David Young and Botond Rencz for their years of dedicated service as representatives of our working groups. We are proud to have such esteemed and respected professionals as part of our organization and look forward to their future contributions within the chamber.



Swan Song Session Says Farewell To HR Committee Chair Zsolt Fehér

(co-founder, Zyntern) and Gábor Bonyhádi (CMO, Codecool) talked about data, processes, people management and a lot more.

The event closed with a networking reception on the gorgeous rooftop of the Aria Hotel.

AmCham is grateful to Zsolt Fehér for his tremendous contributions to the chamber's HR agenda in the past several years, and especially as chairman since 2015. Many of our members have attended successful events initiated by the committee: the HR Dream Days, HR Academy series and the thematic HR roundtables. It is good to see that a strong community has been built, where there is also a strong focus on professional development. We wish Zsolt the best of luck in the future.

For his keynote remarks, Fehér took the theme "The Good, The Bad And The Ugly: The Future Of HR," and pinpointed ten areas where decisions should be backed by real science and ROI, not just HR trends.

A roundtable discussion followed up how we can tell measurable and trendy solutions apart, where Daniel K. Johansson (Happy at Work), István Martis (CEO, Profession.hu), Mirtill Megyeri



On April 24 the AmCham HR committee held an extraordinary event marking the end of the four-year committee chairmanship of Zsolt Fehér.

As Dr. Farkas Bárony, President of AmCham Hungary said in his welcome note: "Today marks a bittersweet occasion, as we say farewell to Mr. Zsolt Fehér, who brought a fresh perspective to the chamber and

championed a great number of meaningful projects and programs, targeted at elevating the HR agenda, while also dealing with where this profession is headed."

But the president went on to point out that the closing of one chapter also presented new opportunities, with the position of committee chair now open for fresh applicants and new ideas, building on solid foundations.



SelectUSA Investment Summit Presents Smorgasbord Of Contacts



The Hungarian delegation. Photo by Attila Németh, U.S. Embassy Budapest.

AmCham Hungary President Farkas Bárony joined the U.S. Embassy's delegation in Washington D.C from June 10-12 at the annual SelectUSA Investment Summit, a high-level networking conference aimed to connect international companies with American business executives and senior government officials from all 50 states with the goal of encouraging investment and job creation.

"This one-stop shop event gave us the opportunity to meet federal decision-makers, state and city economic development organizations, service providers, and other parties who can assist in the investment decision process," the president tells Journal.

Creating a pro-growth business environment for international businesses is a priority for the current administration and the investment

summit, hosted by Wilbur L. Ross, Secretary of the U.S. Department of Commerce, is the premier federal event showcasing investment opportunities available throughout the United States to global leaders.

Secretary Ross believes America has made good progress in attracting FDI recently with lower tax rates, reduced regulations and trade reform.

"Nowhere else but in the United States will you find such an advantageous mixture of innovation, entrepreneurship, diversity, a dedication to hard work, and an incredibly high quality of life," Ross added.

Advisor to the President, Ivanka Trump and National Economic Council Director Larry Kudlow delivered keynote speeches emphasizing the incredible value of FDI and its role in the resurgence of the U.S. economy.

The ambassadors reflected on the recent meeting between President Donald Trump and Prime Minister Viktor Orbán when the two leaders discussed several issues of mutual priority and underlined the critical importance of defending shared values.

After highlighting some of the most recent accomplishments, the ambassadors talked about the key challenges and future opportunities of American-Hungarian cooperation. Both ambassadors expressed gratitude for AmCham Hungary's active participation in promoting U.S.-Hungary economic and trade relations.

President Bársony and the chamber would like to thank Jennifer Kane-Zabolotskaya, Commercial Counselor at the U.S. Embassy for her outstanding support for the delegation, which included Tungsram Group president & CEO Joerg Bauer and innovation director Ferenc Pongrácz, who is also AmCham's Investment PTF lead.

Startup Campus Opens In D.C.

The Ministry of Foreign Affairs and Trade, the Ministry of Innovation and Technology together with the Hungarian Embassy in Washington, D.C. unveiled the new Business Promotion & Development Campus to support Hungarian businesses which want to enter the U.S. market. As part of his trip to the states, AmCham President Farkas Bárony attended the opening alongside Ambassadors David B. Cornstein, Dr. László Szabó and State Secretary László György.

The U.S. market offers tremendous opportunities but entering is quite difficult, even for those companies offering high-quality products and services, due to the heavy competition. The new campus offers living quarters, office space and meetings rooms as well as modern infrastructure for the entrepreneurs.

In its initial phase, the pilot program is aimed at supporting companies in the healthcare, cyber security and space tech industries, with the first arrivals expected this fall.

11 AmCham Presidents Sign Three Seas Initiative



At the 2019 Summit of the Three Seas Initiative in Ljubljana on June 6, 11 AmCham presidents have signed their support for better infrastructure, diversified and secure energy sources and growth of the digital realm. The goal of the initiative is to build a more integrated, prosperous and secure region within a growing European single market.

The Three Seas Initiative was launched in 2016 to strengthen cooperation between the 12 countries located between the Adriatic, Baltic and Black Seas (to wit, Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia) to build a more stable, integrated, and prosperous region and to promote unity and cohesion in the European Union by reducing the West-East economic gap.

As the representatives of the business sector, the American chambers of commerce of the member countries are ready to join the dialogue and become a part of promising cross-border projects in the fields of technology, trade, transport, energy, digitalization and cyber-security.

Raising Awareness: Branding The Business Service Sector!



Some 21 companies have teamed up in AmCham's new initiative aiming to increase the awareness and attractiveness of the business service sector (BSS). The vision of this cooperation is to raise sector awareness and promote the BSS field as a preferred career choice for higher education students and career starters. Aldi, Blackrock, BP, BT, Celanese, Citi, Corning, CPL Integrated Services, Diageo, Deloitte, Eaton, ExxonMobil, IBM, Karrier Hungária, Lexmark, National

Instruments, Randstad, TATA Consultancy Services, Thermo Fisher and Unisys have decided to work together towards this common goal in a unique and inspiring cooperation to attract talent by providing a cosmopolitan, international, employee-centric environment, using the latest technologies and helping to achieve personal and professional growth. The results of the hard work will first become public in September, so stay tuned and also prepare to meet the BSS Project at the HVG Job Fair.



April 18: Regulatory Committee Meeting with Tibor Bogdán, Chief Advisor to the Minister of Justice.



April 25: HR Committee Swan Song session.



April 25: Start Your Business! at Budapest Business School.



May 9: Leadership Masterclass with Eszter Katona (Blueberry) and András P. Tóth (Codeberry).



May 16: Simonyi & Tóth Personnel Consultancy Workshop.



The AmCham Hungary

Wall Of Fame: Summer 2019



May 30: Patron Dinner with EU Commissioner Tibor Navracsics.



June 6: V. Competitive Education Conference.



June 7: Business Forum with Mihály Varga, Minister of Finance.





FDI Roundup

Preparations at BMW Plant Site in Hungary on Schedule

Preparations at the site of German car maker BMW's planned factory in Debrecen (230 km east of Budapest) are proceeding on schedule, Minister of Foreign Affairs and Trade Péter Szijjártó told a local television broadcaster, during a visit to the site on May 23, profitline.hu reported.

Preparations at the site are moving forward "at full steam", in line with the schedule outlined in a contract with BMW, Szijjártó told Debrecen TV.

Debrecen committed to ready the site for the start of construction of the plant in a contract signed last October. The city will deliver the site to BMW in a year. BMW recently informed the Hungarian government that a downturn in the German automotive industry will not affect the planned factory in Debrecen.

Capacity Expansion Could Turn Borsodi Brewery into Regional Center

Hungarian brewery, Borsodi expects EUR 12 million of investments launched last year to boost annual capacity from 1.8 million to 2.5 million hectoliters, prompting U.S. owner Molson Coors Company to turn the brewery in Bócs (182 km northeast of Budapest) into a center for regional production, Borsodi said, agroinform.hu reported. Sales director János Szilva said Borsodi could start shipping products to Czech and Croatian markets. Last year, Borsodi's revenue rose 11% to HUF 40.9 billion.

Bosch U.K. Unit Plans Relocation to Hungary

A unit of the German engineering giant Bosch in the U.K. county of Suffolk plans to relocate to Hungary, British state-owned broadcaster BBC reported on May 30. Bosch said the proposed restructuring was due to "economic pressures from increased competition" and the decision "is not based on Brexit". In a statement, the company said: "The manufacturing facilities in Suffolk have faced difficult business conditions for many years. Despite initiatives in cost reduction

and efficiency improvement, the situation has not improved sufficiently. It is proposed to relocate the manufacturing of garden tools to the Power Tools plant in Miskolc [185 km east of Budapest], Hungary, to make it more cost efficient," BBC reported. Hungary's state news wire MTI added that the revenue of the businesses located in Hungary as Robert Bosch Kft. rose 13% to HUF 1.317 trillion last year, citing the local company's managing director Daniel Korióth. Excluding turnover between Bosch's units, revenue was up 3% at HUF 251 bln, Korióth said, portfolio.hu added.

DIGI Finally Enters Mobile Market

DIGI Kft., the Hungarian subsidiary of Romania-based telecommunications company RCS & RDS, has finally announced the launch of mobile services on its own network, profitline.hu wrote on May 27. DIGI said the rollout was the result of four years of planning, investment and implementation. The company already offers subscribers fixed-line cable television, internet and telephone services, as well as satellite television. DIGI will continue to develop its mobile network and expand coverage, said Dragos Spataru, who heads DIGI Kft. and Invitel Zrt., which the former acquired a year ago. DIGI will be selling its own branded handsets with the launch of the service. DIGI acquired its Hungarian mobile frequencies in two chunks in September 2015 and June 2016, respectively, for a total of HUF 10.248 billion. In addition to Hungary and Romania, DIGI is also present in Spain and Italy.

HIPA Hosts Luncheon for Japanese Investors

The Hungarian Investment Promotion Agency hosted a luncheon for Japanese investors in Budapest on May 31, according to state news portal kormany.hu. Osamu Suzuki, the chairman-CEO of Suzuki Motor Corporation, spoke at the event. He noted that Suzuki's plant in Esztergom (48 km north of Budapest), is the company's second largest, now turning out 190,000 vehicles a year. Minister of Foreign Affairs and Trade Péter Szijjártó, HIPA president Róbert Ésik and Japan's Ambassador to Hungary Sato Kuni also spoke at the event.



Szijjártó: French Companies to Invest HUF 40 bln in Hungary

French pharmaceutical and automotive companies will invest HUF 40 billion in Hungary based on agreements signed at business meetings, Minister of Foreign Affairs and Trade Péter Szijjártó told state wire service MTI in a phone interview from Paris.

The investments in the near future will focus on research and development, innovation and raising the level of technology, helping to further improve the economy's competitiveness, Szijjártó added.

France has been increasing its profile in Hungary in recent times. In March, vehicle parts producer GMD group announced it

will build a HUF 14.5 bln plant in Dorog (39 km north of Budapest). The government said at the time it would be supporting the investment, which will create 240 jobs, with a HUF 2.9 bln cash grant.

In January it was reported the French bistro-style restaurant La Boucherie would expand into Hungary, following its launch in Vienna, and veterinary company Ceva-Phylaxia Oltóanyagtermelő Zrt. announced an investment of almost HUF 10 billion in Monor (40 km east of Budapest).

In December 2018, it was reported that the Marignane, France-head quartered Airbus Helicopters SAS had signed a letter of intent on building a factory in eastern Hungary.

Oil Field Discovered Near Szigetvár

A U.S.-Hungarian oil firm has discovered what it says is a large oil field near Szigetvár (246 km southwest of Budapest), according to magyarhirlap.hu. The amount of raw oil is expected to allow the extraction of 11,000 barrels a day. The name of the company that made the find has not yet been revealed. What is known is that Magyar Horizont Kft., owned by the American Aspect Energy will be responsible for drilling. The firm has been operating on the domestic market for more than 20 years, magyarhirlap.hu reported. Experts created artificial earthquakes near the territory to explore the size of underground oil reserves with the help of measuring devices.

SMG's HUF 5 bln Expansion in Hungary

Indian automotive industry supplier Samvardhana Motherson Group (SMG) inaugurated a HUF 5 billion expansion at its base in Törkeve (161 km southeast of Budapest) on May 23, according to state news portal kormany.hu. The investment, by SMG's molded plastics division, Motherson Automotive Technologies and Engineering (MATE), is supported by a HUF 1.5 bln government grant, said Minister of Foreign Affairs and Trade, Péter Szijjártó. The investment will create 100 jobs, he added. Samvardhana Group, which currently operates on a 105,000 sqm manufacturing area, is in partnership with Porsche, Audi, Volkswagen, Suzuki, Honda, Mercedes and Peugeot, the minister added.

Shanghai Airlines' 1st Direct Flight Lands at Budapest Airport.

The first scheduled direct flight connecting Shanghai-Putungi and Budapest landed at Ferenc Liszt International Airport on June 7. The Shanghai Airlines aircraft was given a water salute after landing a little before 6 a.m. Budapest Airport CEO Jost Lammers, Deputy Minister of Foreign Affairs and Trade Levente Magyar, Chinese Ambassador to Hungary Duan Jielong and China Eastern Airlines Group Deputy General Manager Tian Liuwen spoke at the ceremony. The flight from Shanghai operates three times a week. Chinese tourists are increasingly important for Hungary; last year some 256,000 visitors arrived here, 12% more compared to the year earlier, tozsdeforum.hu noted officials as saying.



Brain Bar: The U.S. Financial Institutes Project

Four AmCham members, Blackrock, Citi, Morgan Stanley and MSCI, have decided to launch a new initiative to increase the attractiveness of the financial sector and show the benefits as well as the opportunities it provides the next generation of talent.

The four companies, together with AmCham, were featured in two Brain Bar panel discussion to inform the young audience about the

wide range of activities they are engaged in, the type of positions they have, and the business values they create.

The first panel (pictured right) featuring Lilla Petroczi, researcher at BlackRock, Illés Farkas, quantitative analyst at Citi, Beáta Czinke, executive director at Morgan Stanley, and Thomas Verbraken, executive director of research at MSCI, focused on building a career



in Hungary. During the discussion, moderated by AmCham CEO Irisz Lippai-Nagy, young talents talked about their path to their current job and what kind of advantages they see in pursuing a career in this sector.

The second panel (pictured left), consisting of Melanie Seymour, CEO of BlackRock,

Beáta Juvancz, managing director Morgan Stanley's finance department, Kevin A. Murray, managing director and CEO of Citi CE, and country head for Hungary, Ákos Janza, CEO of MSCI, and Róbert Ésik, President of HIPA, looked at the matter from the investors' perspective and discussed why Hungary is an attractive destination to large companies.

PATRON PROFILE

MICROSOFT HUNGARY

Why is Hungary a good place to do business?

Hungary has every condition to become a highly developed digital country and catch up with the digital forerunners of Europe. Hungary's economic growth rate has exceeded European average for many years now and it may keep up this pace in the future by digitization and giving momentum to industrial revolution 4.0. To help the country realize opportunities, we serve our clients as sherpas in their pursuit to reach the peak of digital transformation. Due to the expertise, consultancy and installation services we provide, our customers and Microsoft contribute to Hungarian GDP by about HUF 300 billion every year.

What would you like to see change to improve the business climate here?

Experience shows that digital transformation in general can be enhanced by state-run organizations leading the way by example. Therefore, we would welcome new development projects in public services like the one we saw in public administration with the launch of the central electronic web portal. Surveys also show that business managers view digitization, and especially AI, as excellent tools to inspire staff, enhance efficiency and find new business opportunities. We expect businesses in Hungary to apply technology in increasing numbers so that they can maintain competitiveness in the long run. Last, but not least, we are determined to eliminate digital



Christopher Mattheisen
General Manager

illiteracy and make sure that we are educating students who will grow into adults that understand the digital world. The best professionals can be shown as role models for young people, who we can help benefit from affordable internet access and broadband networks across the country.

What do you most value about being an AmCham Patron?

It is much easier to introduce new technology than convince people to use it in their daily routine. Otherwise, they simply cannot leverage the opportunities and benefits of digitization. I think AmCham is a great platform to raise awareness of why transforming corporate culture is as important as technological change itself. A lot has changed in the last 25 years in Hungary since Microsoft established its business here, but one thing has remained unchanged: we still work for a more developed Hungary and a better world, and AmCham is still our staunch ally in pursuing that.

About Microsoft

Microsoft enables digital transformation for the era of an intelligent cloud and an intelligent edge. Its mission is to empower every person and every organization on the planet to achieve more.



PATRON PROFILE

RESIDEO KFT.

Why Hungary is a good investment destination for your company?

Resideo Technologies is a spin-off company of Honeywell, launched on the NYSE in Q4 2019. Resideo is a leading global provider of home comfort and security solutions, present in more than 150 million homes globally, and installed in 15 million homes each year. With a history of creating innovative, reliable solutions, and deeply rooted distribution channels, our mission is to provide technology that delivers comfort, security and simplicity to the places people call home. Resideo keeps and creates valuable employment opportunities in Hungary using the foundation of Honeywell with more than 25 years history in the country. The company is represented through its Product & Solutions business in operations and sales. The local environment and opportunities are per the company needs and future goals. Both Nagykanizsa and Budapest have provided us with an excellent combination of skilled labor force, competitive operational costs and logistic advantages.

What would you like to see change to improve the business climate here?

In terms of competitiveness, a very key factor is the available and capable human resource. Resideo invests a lot in its employees through different training and education programs in line with our company strategy. We have different collaboration platforms with regional universities to involve students into our life as early as possible and drive innovation in many areas.



József Pécsi
Nagykanizsa Site Leader

For a sustainable growing path, we are aiming at the availability of the right direct and indirect population, which is vital. To prepare and plan our business potential in time, dependable tax- and employment-related government decisions are necessary.

What do you most value about being an AmCham Patron?

Resideo is committed to keep existing relations in Hungary with a potential for reshaping its new Resideo business culture. As a Patron member of mission is to provide technology that delivers comfort, security and simplicity to the places people call home. Resideo keeps and creates valuable employment opportunities in Hungary using the foundation of Honeywell with more than 25 years history in the country. The company is represented through its Product & Solutions business in operations and sales. The local environment and opportunities are per the company needs and future goals. Both Nagykanizsa and Budapest have provided us with an excellent combination of skilled labor force, competitive operational costs and logistic advantages.

About Resideo

Resideo is a USD 4.8 billion business that puts people in charge of their home comfort, safety, security and energy efficiency, and a top global distributor of security, fire and low-voltage products. Resideo Kft. in Hungary is a producer and seller of Comfort and Residential Thermal Solution products for heating applications. Furthermore, as a sales segment Security products are also available on the Hungarian market.





ACF: 1st Half Of 2019 At A Glance...

Help In The Digital Age: New Classroom Training Launched

The first session of "Classroom Lessons On Safe Social Media Use" event series of the AmCham Foundation (ACF) was held at the Bokréta Children's Home on Szilágyi utca. Following a performance, the 17 children attending participated in a lecture and discussion about their experiences on social networks and the challenges they can face on a daily basis.

The next lecture was organized on May 19 at the ACF's forest school camp attended by 59 children from four children's homes.

The successful Code Theater program also returned on April 24 with another impressive take on how the Internet affects our personal lives with more than 100 children from three homes in attendance. The next performance will

be given in September, which representatives of AmCham member companies and their children are also welcome to attend.

Record Participants At Volunteering Events

The traditional "Spring Buzz Volunteer Day" was organized with the participation of more than 100 volunteers at Bokréta Children's Homes in Szilágyi utca and Kőér utca on April 27 with the purpose of refurbishing these establishments for disadvantaged children.

Our dedicated volunteers made pallet furniture, painted walls and frames, planted flowers and generally cleaned up the facilities. Of course, there was plenty of time to play with the kids as well.

Thanks to the invaluable support of the dedicated, hard-working volunteers of AVIS Budget Group,

NCR Hungary, BME Bilingual School, Lexmark, EXXON and Tata Consultancy Services (who also provided all the tools required), the ACF made a real difference that day.

We would like to extend special thanks to Balázs Somogyi (BP), Tóth Bálint (Lexmark), and László Ilona (Urmet) for their contributions to the organization of the event.

Ford-ACF Forest School Camp

Four foundations supporting disabled and orphaned children (Aga Children's Home, Bokréta Children's Home, Hospice House and Janka Zircen Children's Home) participated in the first Ford-ACF Forest School Camp project where 59 kids, their teachers, caregivers and our volunteers spent three wonderful days in the beautiful Csattogó valley, near Verőce in May.

The goal of the project is to teach the kids about nature and wildlife and engage them in various activities focusing on the importance of team work in a supportive, safe environment.

The ACF volunteers organized several activities to make the camp unforgettable. The children could attend classes, try folk art, engage in skill, sport and cooking competitions, fishing and hiking, played a ton of games and also went to an adventure park.

Zsuzsa Rajki Award 2019

Organizations can now apply for the ACF's Zsuzsa Rajki Award to sponsor and mentor young talents from disadvantaged backgrounds excelling in science, the arts or sports. The deadline for applications is July 31, the winners will be announced by mid-September. The details of the tender are available on the ACF's website: www.amchamfoundation.hu

CAREER ORIENTATION PROGRAM

AmCham proudly launched its nationwide Career Orientation Program to provide a platform for corporate volunteers and secondary school teachers to get in touch and organize orientation classes, to help students make informed decision about their future career paths.

If you feel the urge to inspire and want to share your knowledge to help prepare the next generation for one of the most important decisions of their lives, join the 100+ companies, 210+ dedicated volunteers who have already signed up to make a difference.

Scan the QR code to visit our site and register now to become an Ambassador!



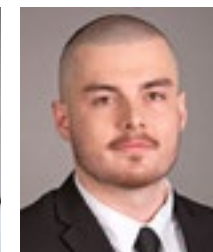
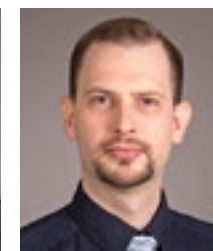
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